

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: Fiscal Review Committee Staff

DATE: March 12, 2003

SUBJECT: **SB 311 - HB 354**

This bill, if enacted, will reduce the years of service requirement for retirement eligibility for Group I employees who are teachers employed by local education agencies from 30 years of service to 25 years of creditable service. The bill provides that any additional cost arising from the provisions of this bill shall be paid out of state funds apportioned to local education agencies for administration costs.

The fiscal impact from enactment of this bill is estimated to be an increase in accrued liabilities between \$167,000,000 and \$392,600,000 with an annual amortized cost between \$14,182,500 and \$66,851,250 for the state and between \$4,727,500 and \$22,283,750 for local governments*. The lower liability estimate assumes that there will be no change in the age-at-retirement pattern while the upper end range assumes a significant change in the retirement pattern.

These estimates assume the accrued liability will be amortized over 20 years at 8%.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

Fiscal Review Committee Staff

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*